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SENATE

REPORT
101-389

MENTAL HEALTH AMENDMENTS OF 1990

JULY 24 (legislative day, JULY 10), 1990.—Ordered to be printed

Mr. KENNEDY, from the Committee on Labor and Human Resources, submitted the following

REPORT

[To accompany S. 2628]

The Committee on Labor and Human Resources, to which was referred the bill (S. 2628), to amend the Public Health Service Act to reauthorize certain National Institute of Mental Health grants and to improve provisions of the State Comprehensive Mental Health Services Plan, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

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I. SUMMARY OF THE BILL

As reported by the Committee, S. 2628 amends titles V and XIX of the Public Health Service Act to reauthorize grants for mental health services demonstration projects, to reauthorize grants to the States for continued development and implementation of the State Comprehensive Mental Health Services Plan, and to clarify and improve the requirements states must fulfill in planning and implementing community care programs for the seriously mentally

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ill. The bill authorizes appropriations of $60,000,000 for the demonstration grants in fiscal year 1991, $62,000,000 for fiscal year 1992 and $65,000,000 in fiscal year 1993. The bill authorizes appropriations of $5,000,000 for each year of the fiscal years 1991–1993 to be allocated among the States to assist states in meeting the requirements of the State Comprehensive Mental Health Services Plan.

Under the provisions of S. 2628 the Secretary of Health and Human Services acting through the Director of the National Institute of Mental Health is authorized to make grants to States, political subdivisions of States and non-profit private agencies for mental health services demonstration projects for the planning, coordination and improvement of community services for seriously mentally ill individuals and their families, seriously emotionally and mentally disturbed children and youth and their families, seriously mentally ill homeless and elderly individuals. In addition, grants may be awarded to demonstration projects targeted at the prevention of youth suicide; improvement of assessment, treatment and clinical management of depressive disorders; demonstration programs to prevent the occurrence of sex offenses and to provide assistance to victims of sex offenses; and programs to provide mental health services to victims of family violence. Services to be provided must encompass a range of delivery systems to promote the most therapeutically appropriate and least restrictive living setting. S. 2628 extends the grant period from three to five consecutive one-year periods.

S. 2628 clarifies the requirement that the Comprehensive State Mental Health Service Plans required by Public Law 99–660 must include development of a system of care for children and adolescents with serious emotional and mental disorders, including the services required to be provided under the Education of the Handicapped Act. It also clarifies that the Plan should include all public and private resources to be used for community care for the seriously mentally ill population, and requires involvement of a broad-based state mental health planning council in development of the plan.

Finally, S. 2628 mandates that the Secretary submit an annual report concerning the development and implementation of the State Comprehensive Mental Health Services Plan and modifies the penalty requirements of the law.

II. Background and Need for Legislation

An estimated 2 million Americans suffer from persistent, severe forms of mental illness requiring long-term supportive care. Since the 1950's, development of new drugs and changes in therapeutic philosophy have made long-term stays in mental institutions increasingly rare for individuals suffering from this category of mental disorder. Moreover, in the judgement of most experts, such long-term stays are neither necessary nor desirable for most patients. At the same time, however, an adequate system of community care has not replaced long-term institutionalization.

The sad result is that far too many of those with persistent, severe mental illness lack the medical and social support they need to function in the community. Many are subject to periodic, painful

breakdowns that result in costly inpatient hospitalizations that could have been avoided with adequate community care. Others live in squalor and despair in homeless shelters, on the streets, or in board and care homes or single room occupancy hotels. More fortunate members of this population live with their families, but the lack of community support and care often places intolerable burdens on these families. The unnecessary suffering is tragic, and the social and financial cost to society is high.

In addition to the most seriously mentally ill, millions of other Americans suffer from mental illness or psychological problems that are a source of misery and social disfunction. Youth suicide is a leading cause of death for adolescents. While treatment is extremely effective in the vast majority of cases, sufferers frequently are not diagnosed and treated. Recent reports have documented that the nation faces an epidemic of sex offenses, with rape increasing four times as fast as other crimes, but effective programs to prevent offenses and in particular to reduce recidivism among convicted offenders, as well as programs to assist victims with associated psychological problems, are lacking. Finally, an emerging need is to assist the psychological problems faced by victims of family violence and to provide therapeutic intervention in potentially violent families.

DEMONSTRATION GRANTS FOR MENTAL HEALTH SERVICES

Since the mid-seventies, the National Institute of Mental Health has conducted demonstration programs providing grants to states and localities to create more comprehensive and effective community-based systems of care for the seriously mentally ill. In many areas, these grants have led to significant improvements in the community service system and have demonstrated convincingly that good community service systems can not only improve the quality of care but can reduce total public costs by reducing the amount of in-patient hospitalization.

Subsequently, this authority was expanded to include demonstration projects for seriously mentally ill children, homeless individuals, and elderly individuals.

The Anti-Drug Abuse Act of 1988, Public Law 100-690 amended title V of the PHS act to further expand and clarify the demonstration authority. Under the amended law, the Secretary was authorized to make grants, through the Director of NIMH, to States, political subdivisions, and private nonprofit entities for:

(1) mental health services demonstration projects for planning, coordination, and improvement of community services (including outreach and self-help services) for seriously mentally ill individuals, seriously and mentally disturbed children and youth, elderly individuals and homeless seriously mentally ill individuals and for the conduct of research concerning such services;

(2) demonstration projects for the prevention of youth suicide;

(3) demonstration projects for the improvement of the recognition, assessment, and clinical management of depressive disorders; and

(4) demonstration projects for treatment and prevention relating to sex offenses.

The Secretary was also authorized to make grants for prevention services demonstration projects to: provide prevention services for individuals who, in the determination of the Secretary, are at risk of developing mental illness, particularly displaced workers, young children and adolescents; the development and dissemination of education materials; conduct training programs and provide technical assistance. The duration of grant programs was limited to three consecutive one-year periods.

STATE COMPREHENSIVE MENTAL HEALTH SERVICES PLAN

The State Comprehensive Mental Health Services Plan Act of 1986, Public Law 99-660, established requirements that States develop a Comprehensive Mental Health Services Plan to address the lack of an effective system to plan, develop and implement community-based services for the mentally ill who have a long-term serious emotional and mental illness and frequently "fall through the cracks". This State plan has to contain quantitative targets, demographic information, describe services to be provided including rehabilitation, employment, housing, medical and dental care and provide for activities to reduce the rate of hospitalization of long-term seriously mentally ill individuals. The law provided for a reduction of the States' ADM block grant allotment if it did not develop a plan by the end of FY 1989. The Secretary was directed to develop a model Comprehensive Plan as a guide for the States and permitted to assess a limited penalty to the administrative expenses portion of the block grant allotment of states failing to comply with the requirements for the state plan.

Public Law 99-660 also authorized grants to be made to States to assist them in the development of such plans. The authorization from this grant program lapsed in 1989, but a recent General Accounting Office Report, "Mental Health: Funds Needed for Future Planning Activities," reported that in fourteen states surveyed, officials felt that there would be a continuing need for these funds. The Anti-Drug Abuse Act of 1988, Public Law 100-690, clarified certain aspects of the state plan. A report to be submitted by September 30, 1990 from the Comptroller of the United States evaluating the status of the plans including the number of States which have submitted and implemented plans, the efficacy of plans and recommendations for additional legislation was also required by Public Law 100-690.

III. History of Legislation

S. 2628, a bill to amend the Public Health Service Act and to reauthorize certain NIMH grants and make improvements regarding the State Comprehensive Mental Health Services Plan was introduced on May 15, 1990 by Senators Kennedy, Adams and Dodd. This legislation was presented at the Executive Session on May 16, 1990 and was ordered to be reported out with an amendment offered by Senator Simon regarding demonstration programs for services to victims of family violence.

IV. TEXT OF THE BILL AS REPORTED

[S. 2628; 101st Cong., 2d Sess.]

A BILL To amend the Public Health Service Act to reauthorize certain National Institute of Mental Health grants and to improve provisions concerning the State comprehensive mental health services plan, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Mental Health Amendments of 1990".

SEC. 2. REAUTHORIZATION OF DEMONSTRATION GRANTS FOR MENTAL HEALTH SERVICES.

Section 520A of the Public Health Service Act (42 U.S.C. 290cc-13) is amended—

(1) in subsection (a), to read as follows:

"(a) SERIOUSLY MENTALLY ILL INDIVIDUALS AND CHILDREN AND ADOLESCENTS WITH SERIOUS EMOTIONAL AND MENTAL DISTURBANCES.—

"(1) IN GENERAL.—The Secretary, acting through the Director, may make grants to States, political subdivisions of States, and nonprofit private agencies for—

"(A) mental health services demonstration projects for the planning, coordination and improvement of community services (including outreach and self-help services) for seriously mentally ill individuals and their families, seriously emotionally and mentally disturbed children and youth and their families, seriously mentally ill homeless and elderly individuals;

"(B) demonstration projects for the prevention of youth suicide;

"(C) demonstration projects for the improvement of the recognition, assessment, treatment and clinical management of depressive disorders;

"(D) demonstration projects for programs to prevent the occurrence of sex offenses, and for the provision of treatment and psychological assistance to the victims of sex offenses; and

"(E) demonstration projects for programs to provide mental health services to victims of family violence.

"(2) MENTAL HEALTH SERVICES.—Mental health services provided under paragraph (1)(A) should encompass a range of delivery systems designed to permit individuals to receive treatment in the most therapeutically appropriate, least restrictive setting. Grants shall be awarded under such paragraph for—

"(A) research demonstration programs concerning such services; and

"(B) systems improvements to assist States and local entities to develop appropriate comprehensive mental health systems for adults with serious long-term mental illness and children and adolescents with serious emotional and mental disturbance.";

(2) in subsection (c), by striking out "three" and inserting in lieu thereof "five"; and

(3) in subsection (e), by striking out paragraph (1) and inserting in lieu thereof the following new paragraph:

"(1) For the purposes of carrying out this section, there are authorized to be appropriated $60,000,000 for fiscal year 1991, $62,000,000 for fiscal year 1992, and $65,000,000 for fiscal year 1993.".

SEC. 3. STATE COMPREHENSIVE MENTAL HEALTH SERVICES PLAN.

(a) REAUTHORIZATION.—Subsection (c) of section 1924 of the Public Health Service Act (42 U.S.C. 300x-10(c)) is amended to read as follows:

"(c) There are authorized to be appropriated to carry out this section, $5,000,000 for each of the fiscal years 1991 through 1993.".

(b) REQUIREMENTS.—Section 1925 of such Act (42 U.S.C. 300x-11) is amended—

(1) by striking out "chronically mentally ill individual" each place that such appears and inserting in lieu thereof "individual with a serious mental illness";

(2) by striking out "chronically mentally ill individuals" each place that such appears and inserting in lieu thereof "individuals with serious mental illnesses";

(3) in subsection (b)—

(A) by inserting before the period in paragraph (1) the following: ", individuals with serious mental illnesses and children with serious emotional and mental disorders";

(B) by inserting after "describe services" in paragraph (3) ", available treatment options and resources, including Federal, State and local public services and resources, and to the extent practicable private services and resources,";

(C) by redesignating paragraphs (5) through (8) as paragraphs (6) through (9), respectively;

(D) by striking out paragraph (4) and inserting in lieu thereof the following new paragraphs:

"(4) The State plan shall describe health and mental health services, rehabilitation services, employment services, housing services, educational services, medical and dental care, and other support services to be provided to individuals and children with serious emotional and mental disorders with Federal, State and local public and private resources to enable such individuals to function outside of inpatient or residential institutions to the maximum extent of their capabilities, including services to be provided by local school systems under the Education of the Handicapped Act (20 U.S.C. 1401 et seq.).

"(5) The State plan shall describe the financial resources and staffing necessary to implement the requirements of the State Comprehensive Mental Health Services plan."; and

(E) by adding at the end thereof the following new paragraph:

"(10) The State plan shall describe a system of integrated social services, educational services, juvenile services, substance abuse services which together with health and mental health services, should be provided in order for children and

adolescents with serious emotional and mental disorders to receive care appropriate for their multiple needs, including services to be provided by local school systems under the Education of the Handicapped Act (20 U.S.C. 1401 et seq.).";

(4) in subsection (d)—

(A) by striking out "subsections (a), (b), and (c)" in the first sentence and inserting in lieu thereof "section 1924"; and

(B) by striking out "the State is permitted to expend for administrative expenses" in the second sentence and inserting in lieu thereof "that the State received under subpart 1 as such subpart existed on October 1, 1985"; and

(5) by adding at the end thereof the following new subsections:

"(e) The State shall utilize the State Mental Health Planning Council described in section 1916(e), or establish a new council with comparable membership requirements, to advise, review, monitor and evaluate all aspects of the development and implementation of the State Comprehensive Mental Health Services Plan. The comments of such Council shall be formally transmitted to the Governor of the State prior to the submission of such Plan to the Secretary and such comments should be transmitted to the Secretary together with such Plan.

"(f) Not later than March 30 of each year, the Secretary shall prepare and submit, to the appropriate Committees of Congress, a report concerning the development and implementation of the State Comprehensive Mental Health Services Plans. Such reports shall include—

"(1) the status of the implementation of such plans by the States;

"(2) a description of the extent of the participation of the Councils described in subsection (e) in such development and implementation;

"(3) a description of the coordinated services for children and adults conducted under such Plans;

"(4) the extent to which State and local public, and private resources are utilized in the enhancement and delivery of designated services; and

"(5) a quantitative measurement of the improvement in services projected and achieved under the plan.".

SEC. 4. ENFORCEMENT.

(a) ADMINISTRATION EXPENSES.—Section 1926(d) of the Public Health Service Act (42 U.S.C. 300x-12(d)) is amended—

(1) by striking out "subsections (a), (b), and (c)" in the first sentence and inserting in lieu thereof "section 1924"; and

(2) by striking out "the State is permitted to expend for administrative expenses" in the second sentence and inserting in lieu thereof "that the State received under subpart 1 as such subpart existed on October 1, 1985".

(b) LIMITATION ON EXPENDITURES.—Section 1926(e) of Act (42 U.S.C. 300x-12(e) is amended—

(1) by striking out "for any fiscal year" and inserting in lieu thereof "during the period covered by the plan";

(2) by striking out "for such fiscal year" and inserting in lieu thereof "during such period"; and

(3) by inserting before the period the following: ", taking into consideration savings on inpatient hospitalization that can reasonably be anticipated to result from a well designed and implemented plan".

V. Committee Views

The Committee recognizes that there is a series of mental health needs that are not being adequately addressed. In particular, the nation still lacks a comprehensive, humane, and effective system of community-based care for the seriously mentally ill. Community-based service delivery systems should be developed to include all available resources and service providers in addressing the special needs of seriously emotionally and mentally disturbed children and adolescents as well as seriously mentally ill adults, seriously mentally ill homeless and the elderly. Service programs should be extended to the families of seriously mentally ill individuals and to victims of sex offenses and family violence. Prevention of youth suicide; projects for the improvement of recognition, assessment, treatment and clinical management of depressive disorders and projects for the prevention of sex offenses remain priorities.

Beyond identifying that demonstration projects should extend to the development of community-based service delivery to seriously emotionally and mentally disturbed children, families with seriously mentally ill members and victims of sex offenses and family violence, the Committee emphasizes that the anticipated outcome of these demonstration projects is a delivery system that encompasses a range of services which work together to provide the most therapeutically appropriate yet least restrictive living environment.

The Committee has retained the broad authority for NIMH to provide demonstrations, technical assistance and targeted service systems research. However, the Committee does not intend that this authority be used to support general service system research. The Committee intends that such research be conducted under separate authority. Funds appropriated under this demonstration authority should be used for services demonstrations, and any service research should be directly concerned with the study or evaluation of the demonstrations and be in support of the existing demonstration initiatives. In addition, the Committee wishes to emphasize that grant solicitations for the conduct of demonstrations should not limit potential grantees only to research institutions.

The Committee recognizes the necessity for adequate development, operation and evaluation time and extends the allowed demonstration period from a three consecutive one-year period to a five consecutive one-year period.

The State Comprehensive Mental Health Services Plan provisions reflect the Committee's intention that these plans continue to be the mechanism for States to develop and implement an effective community-based delivery system for seriously emotionally and mentally ill individuals. A primary purpose of the additional language is to establish that the range of services to be provided must be identified for the children. In particular, education opportunities

and services to be provided by the local school systems should be in compliance with the Education of the Handicapped Act.

The Committee has changed the language referring to "chronically mentally ill" to "seriously emotionally and mentally ill and children and adolescents with serious emotional and mental disturbances" whenever necessary and requires such changes as it applies to legislation for the State Comprehensive Mental Health Services Plan. The reason for the change was to reflect current usage in the field and to avoid the connotation of the earlier language that cure or improvement for these categories of mental illness cannot occur. No substantive changes in the scope of coverage were intended. In particular, the Committee wishes to emphasize that individuals functionally disabled by mental illness or individuals who would be functionally disabled but for control of their illness by medication or therapy should be considered to fall within the scope of the definition of "seriously emotionally and mentally ill."

In addition, the Committee language clarifies that the resources and services identified in the State Plans should not be limited to Federal programs but should reflect the range of Federal, State and local public and private entities intended to be used to support the community-based delivery system. States are required by the Committee language to review all potential sources of support and assure that they are used to the extent necessary and to the degree they can be controlled or influenced by the state to support the system. Among the services to be included as part of the integrated system should be social services, educational services, juvenile services, substance abuse services, health and dental care, housing and employment services. The Plans should also reflect the goal of most therapeutically approprate yet least restrictive living environment.

A new provision of the legislation requires identification of the financial resources to be dedicated and the staffing needs to implement the State Comprehensive Mental Health Services Plan. Any realistic plan must include information of this nature.

The Committee has recognized the input of experts and service providers as essential to the development of mental health programs. The legislation clarifies that the State Mental Health Planning Council or a newly developed council (with comparable membership requirements) must be consulted in the development of the plan so that concerned individuals and professionals may advise, review, monitor and evaluate the development and implementation of the State Plans. The Council is charged with providing comments to the Governor regarding the State Plan and their comments should be incorporated with the Governor's submission to the Secretary.

Minor Modifications are made to the enforcement section to correct technical errors and to more closely reflect the intent of the legislation. The Committee has inserted language in the penalty section indicating that the assessment of the compliance of the state should take "into consideration savings on inpatient hospitalization that can reasonably be anticipated to result from a well designed and implemented plan." The Committee intends by this language that the mere submission of a plan that results in additional expenditure does not relieve a state of its obligations under the

Act. It is the responsibility of the Secretary to conclude that not only the state plan but reasonable improvements in the state plan could not result in the state meeting the standard of no overall cost increase before penalties can be waived. In general, the Committee expects NIMH to conduct a qualitative review of state plans that involves more than a simple check list of whether or not the plan elements coincide with the elements listed in the statute and whether, in implementing the plan, the quantitative targets specified are met. While the planning requirements are intended to give states considerable flexibility in the timing and methods by which they establish a comprehensive, high quality system of community care, such a system is expected to be the end product of the planning and implementation process. Plans that fail to produce such an end product should be rejected by the Secretary.

NIMH retains the Federal responsibility to review the State Comprehensive Mental Health Services Plans, to develop approval criteria and make recommendations to the Secretary. The additional requirements regarding seriously emotionally and mentally disturbed children, identifications of all resources and services, and the increased incentives for State compliance may warrant dedication of additional manpower by NIMH so that a proper assessment of each State Plan and its implementation may be completed. The Committee requests ADAMHA to assess the adequacy of the manpower allocated to these functions and assure that staffing is sufficient to meet the important objectives of this legislation.

VI. Votes in Committee

In executive session of the Committee on Labor and Human Resources of Wednesday, May 16, 1990, S. 2628 as amended, passed unanimously.

VII. Cost Estimate

U.S. Congress,
Congressional Budget Office,
Washington, DC, June 19, 1990.

Hon. Edward M. Kennedy,
Chairman, Committee on Labor and Human Resources,
U.S. Senate, Washington, DC.

Dear Mr. Chairman: The Congressional Budget Office has prepared the attached cost estimate for S. 2628, the Mental Health Amendments of 1990, as ordered reported by the Senate Committee on Labor and Human Resources on May 16, 1990.

If you wish further details on this estimate, we will be pleased to provide them.

Sincerely,

Robert F. Hale
(For Robert D. Reischauer, Director).

Attachment.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

1. Bill number: S. 2628.
2. Bill title: Mental Health Amendments of 1990.

3. Bill status: As ordered reported by the Senate Committee on Labor and Human Resources on May 16, 1990.

4. Bill purpose: To amend the Public Health Service Act to reauthorize certain National Institute of Mental Health grants and to improve provisions concerning the state comprehensive mental health services plan, and for other purposes.

5. Estimated cost to the Federal Government:

[By fiscal years, in millions of dollars]

	1991	1992	1993	1994	1995
Estimated authorization levels:					
Demonstration grants	60	62	65		
State comprehensive mental health service plan grants	5	5	5		
Report	(1)	(1)	(1)		
Total estimated authorization levels	65	67	70		
Total estimated outlays	23	59	68	45	7

[1] Less than $500,000

The costs of this bill fall within budget function 550.

Basis of Estimate

S. 2628 would reauthorize mental health service demonstration projects for fiscal years 1991 to 1993. In addition, the bill would reauthorize federal funds to assist states to develop comprehensive mental health services plans for fiscal years 1991 to 1993. The bill specifies authorization levels for these provisions.

The bill would require the Secretary of Health and Human Services to report yearly on the states' implementation of their comprehensive mental health service plans, and the projected improvement in services achieved under such plans. The CBO estimates that the report would cost less than $500,000 in each of fiscal years 1991 to 1993.

This estimate assumes that all authorizations are fully appropriated at the beginning of each fiscal year. Outlays are estimated using spendout rates computed by CBO on the basis of recent program data.

6. Estimated cost to State and local government: None.

7. Estimate comparison: None.

8. Previous CBO estimate: None.

9. Estimate prepared by: Karen Graham.

10. Estimate approved by: C.G. Nuckols for James L. Blum, Assistant Director for Budget Analysis.

VIII. Regulatory Impact Statement

The Committee has determined that there will be a small increase in the regulatory burden and paperwork as a result of this bill. The Secretary of Health and Human Services is required to continue technical assistance to States in developing and implementing Demonstration Projects and the State Comprehensive Mental Health Services Plans. S. 2628 requires that the Secretary submit to Congress a comprehensive annual report on the development and implementation of the State Plans.

IX. Section-by-Section Analysis

SECTION 1

Section 1 provides that the Act may be cited as the "Mental Health Amendments of 1990".

SECTION 2

Section 2 amends Section 520A(A) of title V of the Public Health Service Act. The amended Sec. 520A(A) is to be identified as "Seriously Mentally Ill Individuals and Children and Adolescents with Serious Emotional and Mental Disturbances."

Section 520(A)(a)(1) as amended authorizes the Secretary, acting through the Director of NIMH, to make grants to States, political subdivisions of States, and nonprofit private agencies for:

(1) mental health services demonstration projects for the planning, coordination and improvement of community services (including outreach and self-help services) for seriously mentally ill individuals and their families, seriously emotionally and mentally disturbed children and youth and their families, individuals at imminent risk of becoming homeless and elderly individuals;

(2) demonstration projects for the prevention of youth suicide;

(3) demonstration projects for the improvement of recognition, assessment, treatment and clinical management of depressive disorders;

(4) demonstration projects for programs to prevent the occurrence of sex offenses, and for the provision of treatment and pyschological assistance to the victims of sex offenses; and

(5) demonstration projects for programs to provide mental health services to victims of family violence.

Section 520A(a) is further amended by designating that mental health services to be provided under this demonstration grant authority should encompass a range of delivery systems designed to permit individuals to live in the most therapeutically appropriate, least restrictive setting. Grants shall be awarded for:

(1) research demonstration programs concerning such services; and

(2) systems improvements to assist States and local entities to develop appropriate comprehensive mental health systems for adults with serious long-term mental illness and children and adolescents with serious emotional and mental disturbance.

Sec. 520A(c) is amended to extend the duration of grant period from not more than three consecutive one-year periods to not more than five consecutive one-year periods.

Sec. 520A(e)(1). Authorization of Appropriations is amended to authorize appropriations of $60 million in FY 1991, $62 million in FY 1992 and $65 million in FY 1993 to carry out the designated purposes.

SECTION 3

Section 3 of the bill is identified as State Comprehensive Mental Health Services Plan. Sec. 1924(c) of title XIX of the Public Health Service Act is amended to authorize appropriations of $5 million for each fiscal years 1991 through 1993 to carry out provisions of this section.

Section 1925 of the PHS Act is amended by replacing all references to "chronically mentally ill individual(s)" with "individual(s) with a serious mental illness".

Sec. 1925(b)(1) is amended to clarify that the requirement of State Plans to provide for the establishment and implementation of an organized community-based system of care covers children with serious emotional and mental disorders as well as individuals with serious mental illnesses.

Sec. 1925(b)(3) is amended to clarify that the State Plan not only describe the services to be provided to the target populations but also identify the available treatment options and resources, including Federal, State and local public services and resources, and to the extent practicable private services and resources.

Section 1925(b)(4) expands and clarifies the description of services required in the plans and specifies that services to be provided under the Education of the Handicapped Act should be included in the State plan.

An additional paragraph is added to Section 1925(b) to provide for resource development and service delivery for children with serious emotional and mental disorders. Section 1925(b)(9) requires that the State Plan shall describe a system of integrated social services, educational services, juvenile services, substance abuse services which together with health and mental health services, should be provided in order for children and adolescents with serious emotional and mental disorders to receive care appropriate for their multiple needs, including services to be provided by local school systems under the Education of the Handicapped Act.

Technical amendments are made to section 1925(d)

Section 1925(e) is added to express the responsibilities of the State Mental Health Planning Council (described in section 1916(e)) or a newly development council (with comparable membership requirements), to advice, review, monitor and evaluate all aspects of the development and implementation of the State Comprehensive Mental Health Services Plan. The comments of such Council are to be formally transmitted to the Governor of the State prior to the submission of such Plan to the Secretary and such comments should be transmitted to the Secretary together with the Plan.

Section 1925(f) is added to require that not later than March 30 of each year, the Secretary shall prepare and submit, to the appropriate Committees of Congress, a report concerning the development and implementation of the State Comprehensive Mental Health Services Plans. Such reports shall include:

(1) the status of implementation of such plans by the States;

(2) a description of the extent of the participation of the Councils described in subsection (e) in such development and implementation;

(3) a description of the coordinated services for children and adults conducted under such Plans;

(4) the extent to which State and local public and private resources are utilized in the enhancement and delivery of designated services; and

(5) a quantitative measurement of the improvement in services projected and achieved under the plan.

SECTION 4

Technical changes are made to section 1926(d)

Section 1926(e) is amended to modify the period of time that States may consider when assessing implementation costs. The Secretary shall not require a State government, in carrying out a State plan, to expend an amount for mental health services during the period covered by the plan which exceeds the total amount that would have been expended for such services by such government during such period if the plan had not been implemented. States are further required to consider the savings on inpatient hospitalization that can reasonably be anticipated to result from a well designed and implemented plan when assessing implementation costs.

X. Changes in Existing Law

In compliance with rule XXVI paragraph 12 of the Standing Rules of the Senate, the following provides a print of the statute or the part or section thereof to be amended or replaced (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

Public Health Service Act

* * * * * * *

ESTABLISHMENT OF GRANT PROGRAMS FOR DEMONSTRATION PROJECTS

SEC. 520. [(a) CHRONICALLY MENTALLY ILL INDIVIDUALS AND SERIOUSLY MENTALLY DISTURBED CHILDREN.—The Secretary, acting through the Director, may make grants to States, political subdivisions of States, and nonprofit private agencies—

[(1) for mental health services demonstration projects for the planning, coordination, and improvement of community services (including outreach and self-help services) for chronically mentally ill individuals, seriously emotionally disturbed children and youth, elderly individuals, and homeless chronically mentally ill individuals, and for the conduct of research concerning such services;

[(2) for demonstration projects for the prevention of youth suicide;

[(3) for demonstration projects for the improvement of the recognition, assessment, treatment, and clinical management of depressive disorders; and

[(4) for demonstration projects for treatment and prevention relating to sex offenses.]

(a) SERIOUSLY MENTALLY ILL INDIVIDUALS AND CHILDREN AND ADOLESCENTS WITH SERIOUS EMOTIONAL AND MENTAL DISTURBANCES.—

(1) IN GENERAL.—The Secretary, acting through the Director, may make grants to States, political subdivisions of States, and nonprofit private agencies for—

(A) mental health services demonstration projects for the planning, coordination and improvement of community services (including outreach and self-help services) for seriously mentally ill individuals and their families, seriously emotionally and mentally disturbed children and youth and their families, seriously mentally ill homeless and elderly individuals;

(B) demonstration projects for the prevention of youth suicide;

(C) demonstration projects for the improvement of the recognition, assessment, treatment and clinical management of depressive disorders;

(D) demonstration projects for programs to prevent the occurrence of sex offenses, and for the provision of treatment and psychological assistance to the victims of sex offenses; and

(E) demonstration projects for programs to provide mental health services to victims of family violence.

(2) MENTAL HEALTH SERVICES.—Mental health services provided under paragraph (1)(A) should encompass a range of delivery systems designed to permit individuals to receive treatment in the most therapeutically appropriate, least restrictive setting. Grants shall be awarded under such paragraph for—

(A) research demonstration programs concerning such services; and

(B) systems improvements to assist States and local entities to develop appropriate comprehensive mental health systems for adults with serious long-term mental illness and children and adolescents with serious emotional and mental disturbance.

* * * * * * *

(c) LIMITATION ON DURATION OF GRANT.—The Secretary may make a grant under subsection (a) or (b) for not more than [three] *five* consecutive one-year periods.

* * * * * * *

(e) AUTHORIZATIONS OF APPROPRIATIONS.—

[(1) For the purposes of carry out this section, there are authorized to be appropriated $60,000,000 for each of the fiscal years 1989 and 1990.]

(1) For the purposes of carrying out this section, there are authorized to be appropriated $60,000,000 for fiscal year 1991, $62,000,000 for fiscal year 1992, and $65,000,000 for fiscal year 1993.

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Subpart 2—State Comprehensive Mental Health Services Plan

DEVELOPMENT GRANTS

SEC. 1924. (a) * * *.

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[(c) To carry out this section, there are authorized to be appropriated $10,000,000 for each of the fiscal years 1988 and 1989.]

(c) There are authorized to be appropriated to carry out this section, $5,000,000 for each of the fiscal years 1991 through 1993.

STATE COMPREHENSIVE MENTAL HEALTH SERVICES PLANS

SEC. 1925. (a) For each fiscal year beginning with fiscal year 1988, each State shall submit a State comprehensive mental health services plan (hereafter referred to in this subpart as the "State plan") to the Secretary.

(b) A State plan shall, for the fiscal year for which the plan is submitted and each of the 2 succeeding fiscal years, meet the following requirements:

(1) The State plan shall provide for the establishment and of implementation of an organized community-based system of care for [chronically mentally ill individuals.] *individuals with serious mental illnesses and children with serious emotional and mental disorders.*

(2) The State plan shall contain quantitative targets to be achieved in the implementation of such system, including numbers of [chronically mentally ill individuals] *individuals with serious mental illness* residing in the areas to be served under such system.

(3) The State plan shall describe services, *available treatment options and resources, including Federal, State and local public services and resources, and to the extent practicable private services and resources,* to be provided to [chronically mentally ill individuals] *individuals with serious mental illnesses* to enable such individuals to gain access to mental health services, including access to treatment, prevention, and rehabilitation services.

[(4) The State plan shall describe rehabilitation services, employment services, housing services, medical and dental care, and other support services to be provided to chronically mentally ill individuals in order to enable such individuals to function outside of inpatient institutions to the maximum extent of their capabilities.]

(4) The State plan shall describe health and mental health services, rehabilitation services, employment services, housing services, educational services, medical and dental care, and other support services to be provided to individuals and children with serious emotional and mental disorders with Federal, State and local public and private resources to enable such individuals to function outside of inpatient or residential institutions to the maximum extent of their capabilities including services to be provided by local school systems under the Education of the Handicapped Act (20 U.S.C. 1401 et seq.).

(5) The State plan shall describe the financial resources and staffing necessary to implement the requirements of the State Comprehensive Mental Health Services plan.

[(5)] *(6)* The State plan shall provide for activities to reduce the rate of hospitalization of [chronically mentally ill individuals.] *individuals with serious mental illness.*

[(6)] *(7)* Except as provided in paragraph [(7),] *(8),* the State plan shall require the provision of case management services to each [chronically mentally ill individual] *individual with a serious mental illness* in the State who receives substantial amounts of public funds or services. For purposes of this paragraph, the term ["chronically mentally ill individual"] *"individual with a serious mental illness"* means [a chronically mentally ill individual] *an individual with a serious mental illness* as defined under State law and regulations.

[(7)] *(8)* The State plan may provide for the implementation of the requirements of paragraph (6) in a manner which—

(A) phases in, beginning in fiscal year 1989, the provision to all [chronically mentally ill individuals] *individuals with serious mental illness* to which such paragraph applies the case management services required to be provided under such such paragraph; and

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[(8)] *(9)* The State plan shall provide for the establishment and implementation of a program of outreach to, and services for, [chronically mentally ill individuals] *individuals with serious mental illness* who are homeless.

(10) The State plan shall describe a system of integrated social services, educational services, juvenile services, substance abuse services which together with health and mental health services, should be provided in order for children and adolescents with serious emotional and mental disorders to receive care appropriate for their multiple needs, including services to be provided by local school systems under the Education of the Handicapped Act (20 U.S.C. 1401 et seq.).

(c) In developing each State plan required under this section, the State shall consult with representatives of employees of State institutions and public and private nursing homes who care for [chronically mentally ill individuals.] *individuals with serious mental illness.*

(d) The amount referred to in [subsections (a), (b), and (c)] *section 1924* with respect to a State is the total amount that the State is permitted to expend for administrative expenses under section 1915(d) for fiscal year 1986 from amounts paid to the State under subpart 1 for such fiscal year. If in the judgment of the Secretary, the State is making a good faith effort to comply with this subpart, the Secretary may assess the State a penalty that is less than the maximum penalty, but in no event shall the penalty be less than 2 percent of the amount [the State is permitted to expend for administrative expenses.] *that the State received under subpart 1 as such subpart existed on October 1, 1985.*

(e) The State shall utilize the State Mental Health Planning Council described in section 1916(e), or establish a new council with

comparable membership requirements, to advise, review, monitor and evaluate all aspects of the development and implementation of the State Comprehensive Mental Health Services Plan. The comments of such Council shall be formally transmitted to the Governor of the State prior to the submission of such plan to the Secretary and such comments should be transmitted to the Secretary together with such Plan.

(f) Not later than March 30 of each year, the Secretary shall prepare and submit, to the appropriate Committees of Congress, a report concerning the development and implementation of the State Comprehensive Mental Health Services Plans. Such reports shall include—

(1) the status of the implementation of such plans by the States;

(2) a description of the extent of the participation of the Councils described in subsection (e) in such development and implementation.

(3) a description of the coordinated services for children and adults conducted under such Plans;

(4) the extent to which State and local public, and private resources are utilized in the enhancement and delivery of designated services; and

(5) a quantitative measurement of the improvement in services projected and achieved under the plan.

ENFORCEMENT

SEC. 1926. * * *

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(d) The amount referred to in [subsections (a), (b), and (c)] *section 1924* with respect to a State is the total amount that the State is permitted to expend for administrative expenses under section 1915(d) for fiscal year 1986 from amounts paid to the State under subpart 1 for such fiscal year. If in the judgment of the Secretary, the State is making a good faith effort to comply with this subpart, the Secretary may assess the State a penalty that is less than the maximum penalty, but in no event shall the penalty be less than 2 percent of the amount [the State is permitted to expend for administrative expenses.] *that the State received under subpart 1 as such subpart existed on October 1, 1985.*

(e) Notwithstanding any other provision of this subpart, the Secretary shall not require a State government, in carrying out a State plan submitted under this subpart, to expend an amount for mental health services [for any fiscal year] *during the period covered by the plan* which exceeds the total amount that would have been expended for such service by such government [for such fiscal year] *during such period* if such plan had not been implemented, *taking into consideration savings on inpatient hospitalization that can reasonably be anticipated to result from a well designed and implemented plan.*

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